

HOUSE BILL NO. 104

INTRODUCED BY BERGREN

BY REQUEST OF THE STATE AUDITOR

1
2
3
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE QUALIFICATIONS FOR A VOLUNTARY
6 PURCHASING POOL; DECREASING THE NUMBER OF REQUIRED EMPLOYEES FROM 1,000 TO 51;
7 ELIMINATING THE OPTION OF USING RATING ARRANGEMENTS TO OFFER DISABILITY INSURANCE
8 POLICIES, CERTIFICATES, OR CONTRACTS THROUGH A POOL THAT RATES EACH MEMBER
9 EMPLOYER SEPARATELY; REQUIRING CONTRACTS OFFERED THROUGH A POOL TO RATE AN ENTIRE
10 GROUP AS A WHOLE AND TO CHARGE EACH INSURED PERSON BASED ON A COMMUNITY RATE
11 WITHIN THE COMMON GROUP AS PERMITTED BY LAWS GOVERNING ~~LARGE~~ GROUP DISABILITY
12 INSURANCE; AND AMENDING SECTION 33-22-1815, MCA."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15
16 **Section 1.** Section 33-22-1815, MCA, is amended to read:

17 **"33-22-1815. Qualifications for voluntary purchasing pool.** A voluntary purchasing pool of disability
18 insurance purchasers may be formed solely for the purpose of obtaining disability insurance upon compliance
19 with the following provisions:

20 (1) It contains at least ~~4,000~~ 51 eligible employees.

21 (2) It establishes requirements for membership. The voluntary purchasing pool shall accept for
22 membership any small employers and may accept for membership any employers with ~~more than 50~~ AT LEAST
23 51 eligible employees that otherwise meet the requirements for membership. However, the voluntary purchasing
24 pool may not exclude any small employers that otherwise meet the requirements for membership on the basis
25 of claim experience, occupation, or health status.

26 (3) It holds an open enrollment period at least once a year during which new members can join the
27 voluntary purchasing pool.

28 (4) It offers coverage to eligible employees of member employers and to the employees' dependents.
29 Coverage may not be limited to certain employees of member small employers except as provided in
30 33-22-1811(3)(c).



1 (5) It does not assume any risk or form self-insurance plans among its members.

2 (6) (a) ~~It has the option of using the following types of rating arrangements with the disability insurance~~
3 ~~policies, certificates, or contracts:~~

4 ~~———(i) Disability insurance policies, certificates, or contracts offered through the voluntary purchasing pool~~
5 ~~that rate each member employer separately are subject to the provisions of this part.~~

6 ~~———(ii) Disability insurance policies, certificates, or contracts offered through the voluntary purchasing pool~~
7 ~~that must rate the entire group as a whole must and charge each insured person based on a community rate~~
8 ~~within the common group, adjusted for case characteristics as permitted by the laws governing large group~~
9 ~~disability insurance.~~

10 (B) RATES FOR VOLUNTARY PURCHASING POOL GROUPS MUST BE SET PURSUANT TO THE PROVISIONS OF
11 33-22-1809.

12 ~~(b)(c)~~ At its discretion, premiums may be paid to the disability insurance policies, certificates, or
13 contracts by the voluntary purchasing pool, by member employers, or by eligible employees and their
14 dependents.

15 (7) A person marketing disability insurance policies, certificates, or contracts for a voluntary purchasing
16 pool must be licensed as an insurance producer."

17 - END -